

How to solve a \$100 million problem?

By Councilmember Rose Herrera

The City's budget deficit for the next fiscal year has grown to \$110 million. The only way to solve a \$100 million problem is to strengthen our relationship with community partners and continue to make tough decisions to turn our city around. Have no doubt, we will close the gap and balance the budget as required by our City's Charter.

I want to engage the residents of Evergreen about the reality of the City's budget. I am planning to hold community budget meetings to seek your input. Sign up for my newsletter and you will get the dates of future meetings.

In a city of over a million people with a diverse range of cultures, incomes, and interests, a few priorities always rise to the top: public safety, strong economy, and a well-managed infrastructure. Going forward, programs will need to be restructured or cut all together. I want to make these decisions with your input. As the budget cut scenarios are released by the City Manager, I will keep you informed.

On Saturday, January 29, the Mayor held a Budget Priority Setting Session attended by community leaders throughout San Jose. Participants were asked to prioritize budget solutions. I, along with my staff, and District 8 leaders attended the event. It was interesting to hear what is important to residents throughout the city.

Our City Council district, District 8, was proudly represented by Bonnie Mace, Matt Wahlin, Neetu Dhaliwal, Tom Paramo, and District 8 Youth Commissioner Rose Dhaliwal. My thanks to them for dedicating a full-day to this important event.

Participants were asked how they would address the budget shortfall. They explored options that included reducing employee compensation and retirement benefits, reducing city services, and raising additional revenue, including taxes and fees. This gave participants a chance to be in the shoes of the Mayor and City Council in making tough decisions. If you would like to take the survey at home, please go to my website at www.sanjoseca.gov/district8.

Six months into this fiscal year, we already know that next year's deficit has grown to \$110 million. This is unwelcomed news. The additional \$20 million from earlier forecasts reflects updated information on the City's contribution to its retirement plans in fiscal year 2011-12. Sixty million dollars of the deficit is represents the City's obligated contribution to the pension system.

The silver lining in all of this is that voters had the good sense to support pension reform at the ballot box last fall by passing Measure W. Simply put, thanks to the support of voters, we are on top of it.

The City Council is already taking steps to make changes by addressing the retirement plans that are paralyzing our ability to deliver services. The City Council approved a lower cost set of retirement benefits for new employees, commonly referred to as a “2nd Tier.” The direction from the City Council will now be discussed in negotiations with our bargaining units.

I recognize it can be frustrating to hear these changing numbers, but this is an unavoidable part of the budget process. As the year progresses, we get more information that helps us build a more complete and accurate picture of the budget challenge we face. The City will face many challenges and tough choices as we look to balance the budget for the upcoming fiscal year.

It is important you hear the choices that the City Manager is presenting to the City Council. Your input is valued in this process whether it is suggestions for reducing costs, improving efficiencies, or generating new revenue.

In the next column, I will outline my plan for economic development as the new Chairman of the City’s Community & Economic Development Committee. It is important the City balances its budget and we must almost know how to support and attract businesses.

In the coming months, I look forward to hearing from you. A \$100 million deficit needs to get solved. It is my hope that Evergreen’s voice will be heard loud and clear. An open and honest conversation is coming your way and I hope you join me.

Sign up for the District 8 Newsletter: [www.sanjoseca.gov/district 8](http://www.sanjoseca.gov/district%208)

Save the date: Great American Litter Pick Up Saturday, March 19, meeting location is at the Smythe Clubhouse Boys & Girls Club, 2195 Cunningham Ave.